

1996 Annual Report



GETINGE INDUSTRIER AB



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This document is essentially a translation of the Swedish language version. In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.

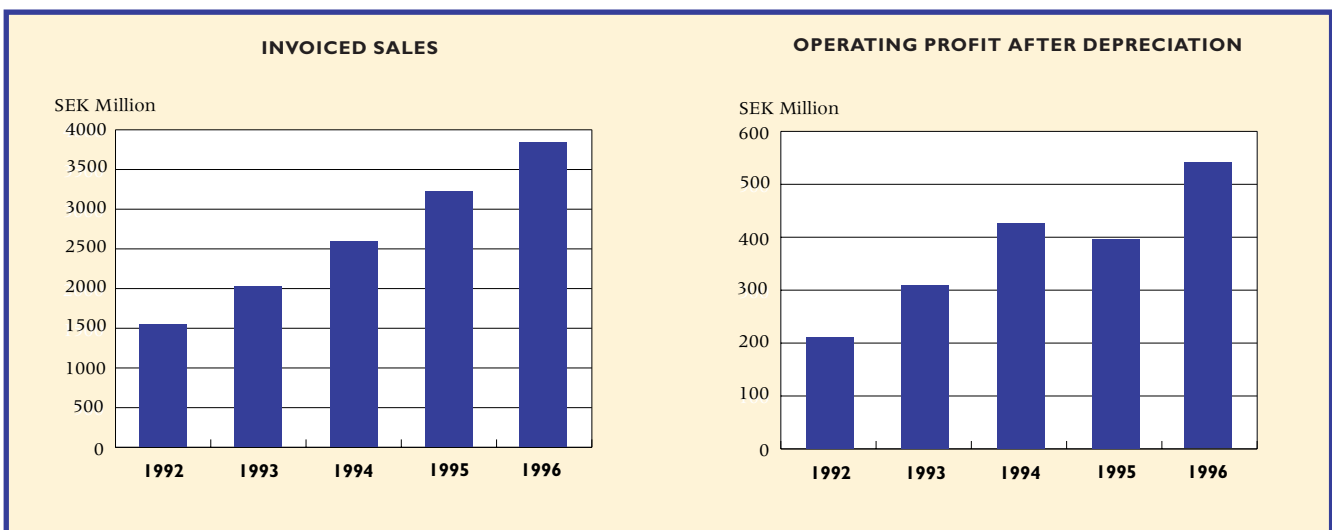


Getinge Industrier AB • 1996 Annual Report



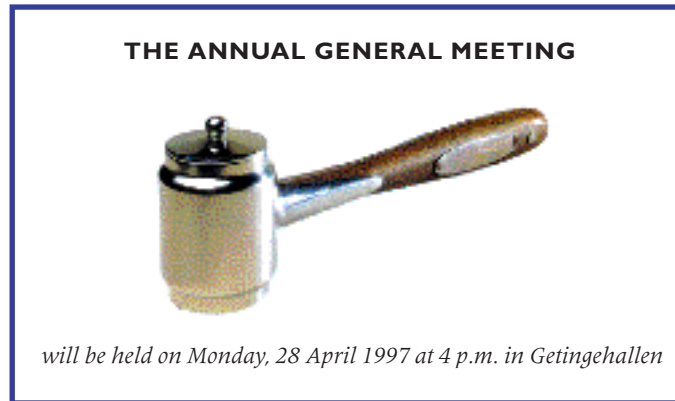
1996 In Summary

- *The acquisition of the US company MDT makes Getinge the world leader.*
- *Invoiced sales for the Getinge Group increased by 17.9% to SEK 3,799.4 million (3,222.9).*
- *The profit before tax increased by 27.8% to SEK 497.1 million (388.9).*
- *EPS after full tax increased by 19.0% to SEK 8:65 (7:27).*
- *The return on shareholders' equity was 42.3% (32.7).*
- *The Board and the Managing Director propose an increase in the dividend to SEK 2:50 (2:00) per share.*





The Annual General Meeting



Notification

Shareholders wishing to participate at the Annual General Meeting shall be registered in the register of shareholders kept by Värdepapperscentralen VPC AB, the Swedish Central Securities Depository, no later than Friday, 18 April 1997 and shall notify Getinge Industrier's head office, at the below address, of their intention to participate, no later than Wednesday, 23 April 1997:

GETINGE INDUSTRIER AB
Information Dept.
P.O. Box 69
S-310 44 Getinge
Tel: +46 35 - 15 55 00

Shareholders whose shares are registered in the name of a nominee must, in order to be entitled to participate in the Annual General Meeting, have registered their shares in their own name with VPC well in advance of 18 April 1997.

Dividend

The Board of Directors and the Managing Director propose that a dividend of SEK 2:50 (SEK 2:00) per share be paid for 1996, amounting to a total of SEK 113.6 million. The proposed record date is 2 May 1997. VPC anticipates being able to forward the dividend to shareholders on 12 May 1997.

Financial information and reports

Getinge Industrier AB will publish the following reports in Swedish and English during the year:

- The 1st quarterly report for 1997 will be issued in conjunction with the Annual General Meeting on 28th April in Getinge
- Interim Report for the first six months of 1997: July 1997
- 3rd quarterly report for 1997: October 1997
- Press release of the financial statements for 1997: February 1998
- Annual Report for 1997: April 1998

The reports can be ordered from:

GETINGE INDUSTRIER AB
Information Dept.
P.O. Box 69
S-310 44 Getinge
Tel: +46 35 - 15 55 00

For your information when reading this Annual Report

The Getinge Industrier Group is referred to in this Annual Report as Getinge.

Figures in brackets refer, unless otherwise specified, to 1995's operations. Swedish krona is abbreviated (SEK) throughout the document. Millions of kronor are written as SEK xx million, unless otherwise specified.



Summary of the last five years

THE GROUP	1992 ¹⁾	1993 ¹⁾	1994	1995	1996
Invoiced sales, SEK million	1,541.4	2,019.1	2,590.8	3,222.9	3,799.4
Of which, overseas sales, %	92.8%	93.7%	94.7%	84.6%	78.3%
Net operating profit after depreciation, SEK million	210.1	309.6	425.9	396.1	536.3
Operating margin, %	13.6%	15.3%	16.4%	12.3%	14.1%
Profit before tax, SEK million	–	–	411.9	388.9	497.1
Profit for the year, SEK million	–	–	335.6	321.4	392.8
Capital employed, SEK million	1,504.8	1,610.4	1,026.4	1,317.0	1,809.9
Shareholders' equity, 31 December, SEK million	–	–	1,161.6	801.8	1,093.0
Return on capital employed, %	14.0%	19.2%	41.6%	30.1%	29.6%
Return on equity, %	–	–	33.0%	32.7%	42.3%
Equity/assets ratio, %	–	–	59.4%	29.4%	31.3%
Interest cover, multiple	–	–	13.7	13.1	7.5
Net investments in fixed assets, SEK million	26.8	44.6	45.5	74.2	103.3
No. of employees, 31 December	1,788	1,873	2,124	2,729	3,495
EPS after full tax, SEK	–	5.23 ²⁾	7.60 ²⁾	7.27	8.65
Shareholders' equity, SEK/share	–	–	25.63 ²⁾	17.65	24.06
Dividend, SEK/share	–	1.33 ²⁾	1.67 ²⁾	2.00	2.50 ³⁾
Market price, 31 December, SEK/share	–	62.67 ²⁾	64.33 ²⁾	100.83	134.50
Dividend yield, %	–	2.1% ²⁾	2.6% ²⁾	2.0%	1.9%

¹⁾ *Getinge and Arjo were both listed separately on to the Stock Exchange in 1993, at which time there was a substantial change in the capital and corporate structure. Therefore, the figures above for 1992 and 1993 have been calculated based on proforma balance sheets and income statements.*

²⁾ *Getinge, excluding Arjo.*

³⁾ *As per the proposal by the Board and the Managing Director.*

DEFINITIONS

Operating margin

Net operating profit after depreciation according to plan, in relation to invoiced sales.

Interest cover

Profit after net financial items plus interest costs in relation to interest expenses.

Capital employed

Total assets, less liquid funds and non-interest bearing liabilities. Average calculated during the year.

Return on capital employed

Net operating profit after depreciation in relation to average capital employed.

Net debt

Interest bearing liabilities, including pension liabilities, less deductions for liquid funds.

Return on equity

Net profit for the year in relation to average shareholders' equity.

Equity/assets ratio

Equity in relation to Balance Sheet total.

EPS after full tax

Net profit for the year divided by the number of shares.

Dividend yield

Dividend in relation to the market share price on 31 December.



Comments by the Managing Director

THE MDT ACQUISITION YIELDS STRATEGIC ADVANTAGES IN THE SIGNIFICANT US MARKET

The Getinge Group has continued to advance its positions within the various business areas in 1996. This has been achieved through acquisitions, product launches and internal rationalisations, where the focus has been on reducing the cost level.

The MDT acquisition in the US has made Getinge the world-leader within sterilization which has been our base for the past 50 years. MDT - now known as Getinge Castle - gives the Group a platform in the American health care market for both sterilization and disinfection. Getinge now has a market share of between 20 and 25% and a sales and service organisation which covers the entire US. The acquisition also includes a production structure comprising four factories which manufacture sterilization products, disinfection products and operating tables and lights. The American acquisition is currently undergoing comprehensive restructuring programmes designed to reduce the cost level and concentrate production.

The combination of Getinge and MDT provides excellent potential for the future in the American market, and we are establishing joint companies together for the Far East, based in Hong Kong, the Middle East, based in Athens, and South America, based in Miami.

ARJO – RESTRUCTURING AND COST-CUTTING COMPLETED

The structuring carried out within Arjo was necessary to restore competitiveness and enable the company to face the future effectively. This restructuring and cost-cutting has now been completed according to plan. Arjo must now prioritize expanding its sales and making the most of the expansion potential inherent in the care services for the elderly.

MARKET PERFORMANCE

Sales to the health care sector of sterilization and disinfection equipment have developed well in Scandinavia, whilst the sales performance in Western Europe and the US has come under pressure, both in terms of volume and price. The sales performance in Asia has remained healthy, whilst the increase in Eastern Europe was slightly below that of last year.

Sales of sterilization and disinfection equipment to the pharmaceutical industry have developed well in Scandi-



navia, the US and parts of the Far East, such as Japan, in particular. The performance in Europe was restrained, primarily due to the merger and restructuring taking place within the pharmaceutical industry.

The volume of sales of hygiene systems and patient handling equipment for the elderly care has slackened off. A negligible decline was noted in Northern and Central Europe, whilst other regions experienced good growth during the year.

In the Distribution business area, sales to the dental sector have stagnated in the primary markets, Sweden, Norway and Denmark. Volumes have declined for Health Foods and Medical, which are concentrated on the Swedish market.

PROFIT PERFORMANCE

Sterilization - Pharmaceutical Industry business area

Sterilization - Pharmaceutical Industry has developed well over the year. The restoration of profitability in the UK, the improved profit in the US and the expansion in Japan are the main reasons for this.

Product development, increased system sales, higher ambitions in Western Europe, coordination in the US and continued expansion in the Far East are important activities for the future.

Sterilization - Health Care business area

Sterilization - Health Care also reported improved profits for the year. In geographic terms, profits improved in Scandinavia, and in Sweden in particular, whilst profits in Western Europe fell slightly due to the decline in profits in Germany. Eastern Europe and the Far East continue to develop well with developments in Thailand, where several large orders were won during the year, particularly pleasing.

The integration and coordination of MDT are top priorities for the immediate future. Improving our position in Germany is also important, as is taking advantage of the Eastern European and Far Eastern markets.

Disinfection business area

The healthy profit performance by Disinfection continues. Coordination of the production units in Sweden and Germany has both yielded considerable cost efficiency and boosted the profits. A number of products within both flusher disinfection and washer disinfection were also launched during the year and improved competitiveness.

The priorities for the future are to make the most of the Group's position in the US market and achieve additional coordination with Germany.



Arjo business area

The result of the restructuring and the improved cost level can now be seen and many Arjo companies are already reporting extremely healthy profit growth. The focus is on sales growth with the aim, thereby, of defending and developing Arjo's leading market position. Arjo has become a cornerstone of the Getinge Group, with good prospects for the future which the Group intends to take full advantage of.

Distribution business area

Dental: Dental has been operating in an extremely competitive market in 1996. The market contracted slightly, with Sweden being hit hardest. Activity programmes designed to counter the contraction in the market involved coordination and rationalisation within purchasing-logistics and finance. These measures have improved our competitiveness in the dental market, where the Group has substantial market share in many areas.

Activities have also been launched with the aim of improving positions. These are:

- investment in disposable products through an additional Danish channel
- establishment of a new company in Finland
- the acquisition of the Directa company which manufactures temporary crowns

The reduction in costs and the expansion activities carried out will lead to improved profits in 1997.

Product strength, logistics and cost-efficiency are the platform on which Dental is based. This, coupled with existing market shares, creates the potential for improvement in the future.

Medical: this area sells hearing aids and surgical instruments in the Swedish market, along with neurosurgical instruments on the Spanish market. The Swedish operations have seen the market come under pressure, and additional cost-cutting measures have been implemented. Investments in the Spanish operations, which are reporting very healthy profits, are concentrated on product complementation.

Health Foods: A new management team was appointed during the year. More active marketing, coupled with the investments made in 1996, are expected to improve both market position and profits in 1997.

STRATEGIC OBJECTIVES

The Group's main objective is to continue expanding in the medical-technical sector. Priority is being given to the sterilization, disinfection, hygiene systems and patient handling product areas. The primary customer

segments for these products are the health care sector, the pharmaceutical industry and care services for the elderly.

Developing the Group's distribution of dental products in Northern Europe is another important objective. The Group's health food operations must continue to develop as a brand-independent, full range wholesaler, at the same time as there must be a degree of integration at the supplier stage.

The Group has also targeted the development of system know-how, both for the pharmaceutical industry and the health care sector.

A further important objective involves giving the customers quality in the widest sense of the word. This means that we must use the Group's products, service and industry know-how to create the maximum value added for the customers.

Environmental responsibility is also an overall objective within the Group. Continued investments are being made in producing less resource-intensive autoclaves and products which contribute to the reduced use of disposable items in the health care sector. Production facilities are also constantly being improved in order to reduce their impact on the external environment.

OUTLOOK FOR 1997 AND THE FUTURE

The Group's international competitiveness is now good. Room for improvement exists both within the product and production area, and in marketing. Quality, product development and system know-how must, in future, be given more priority, as the customers' faith in these factors is increasing.

The acquisition of the US company MDT, coupled with the structural measures and rationalisation carried out during the year, are expected to lead to an increase in both the Group's turnover and profits in 1997.

I would like to take this opportunity to thank all my colleagues for their very hard work in the drive to develop the Getinge Group, which now leads the world in several major areas. It is with the greatest confidence that I hand over the executive management of the Group to the Executive Vice President, Johan Malmquist, who has been closely involved in building up the Group's current position, and who has been part of the Group's executive management team for the past five years.

Getinge, 10 March 1997

Carl Bennet
President & CEO



The Getinge Group - an overview

BUSINESS CONCEPT AND ORGANISATION

Getinge, which operates in the field of medical technology, develops, manufactures and markets equipment and systems for sterilization and disinfection purposes within the pharmaceutical industry and the health care sector. Getinge also develops, manufactures and markets hygiene systems and patient handling systems for the health care sector and care services for the elderly. The Group enjoys a position as world market leader within all of these sectors.

Getinge is also active in the distribution of equipment and disposable items for the dental sector in Scandinavia, health food products for Swedish health food shops, and surgical instruments for the health care sector, as well as supplying Swedish centres for the hearing impaired with equipment and services.

The business is divided into five business areas:

- Sterilization - Pharmaceutical Industry
- Sterilization - Health Care
- Disinfection
- Arjo
- Getinge Distribution

Sterilization - Pharmaceutical Industry is a growing area. Customers comprise large international pharmaceutical and R&D companies, and smaller, heavily specialized companies and laboratories.

Sterilization - Health Care is an area with a stable volume of business from a global perspective. Some countries are reporting growth while others are mature markets which are dependent on development levels. The customers come from both the public and private sector and are found throughout the health and dental care sectors.

Disinfection is an area with growth potential. The products, which comprise washer and flusher disinfectors, are used to reduce or totally eliminate the risk of the transmission of infection. The customers are concentrated on the developed markets and are primarily to be found within the health care sector, in laboratories and within the pharmaceutical industry.

Arjo is a growing area. The operation develops, manufactures and markets products and systems for hygiene and transportation of the elderly, the physically impaired and handicapped in the care services for the elderly and health care sectors.

Getinge Distribution is Scandinavia's leading distributor of equipment, technical services and disposable items to dentists. It also distributes health food products to Swedish health food stores, and surgical instruments to the health care sector. Getinge Distribution also supplies Swedish centres for the hearing impaired with equipment and service.

GEOGRAPHICAL SPREAD

78% of the Group's sales take place outside Sweden, and are spread across about 110 countries. 40% of production is located in Sweden with the remaining 50% divided between the following markets: Denmark, Germany, UK, France, the US, Canada, Australia and South Africa.

COMPETITION

The Getinge Group is represented in over 110 countries and is the only corporate Group in the world which sells in so many markets. Our biggest competitors are usually only represented in 10-15 markets at most. Getinge's competitive position does, however, vary from one business area to another:

Our main competitors within the field of sterilization are the American company, Steris-Amsco, the German company, MMM, and Fedegari from Italy. Steris-Amsco sells almost 90% of its products in North America. MMM sells the majority of its products in Germany, Switzerland, Austria and parts of Eastern Europe. The majority of Fedegari's sales are in Italy, France, Germany and the US. There are other competitors in Europe, in Germany, the UK, France and Italy, and all of them are primarily active in their domestic market.

Our main competitors in the disinfection business area are two German companies, Meiko and Miele, which operate in the field of flusher disinfection and washer disinfection, respectively.

Arjo's major competitor is the American company, Sunrise Medical, which enjoys a strong position within both hygiene systems and patient handling systems through their company, Parker. The US company, Hoyer, is another significant competitor in the field of patient handling.

The main competitors on the Dental side to Getinge Distribution are the Swedish firm, Bergman & Beving, the Finnish company, Plandent Group, and Siemens.

OBJECTIVES AND STRATEGIES

Our objective is to develop and reinforce our position as world leaders within sterilization, disinfection, hygiene

The Group's sales can be broken down into the following geographical markets:

	1996	1995
Sweden	22%	15%
Nordic countries, other	8%	6%
Western Europe	38%	49%
Eastern Europe	2%	4%
North America	21%	17%
Asia, Australia	7%	7%
Africa	1%	1%
Latin America	1%	1%
	100%	100%



systems and patient handling systems. We shall achieve this by prioritizing and investing in product development, quality at every stage, rational production structures with locally adapted products and market expansion by extending the existing organisation and complementing it with corporate acquisitions.

The objective within Getinge Distribution is to be Scandinavia's leading distributor with economies of scale that give a high service level for the customers and healthy profitability for the Group. The objective within the health food operations is to develop as a brand-independent full range wholesaler, and at the same time, achieve a degree of integration with the supplier stage.

PRODUCT DEVELOPMENT

The Group employs approximately 165 people in product development, which means that 4.5% of the workforce work with R&D. The acquisition of MDT has brought both new products and design resources into the Group.

The main objectives are to:

- A. improve existing products, both in performance and quality, and to develop a new generation of products
- B. develop and rationalise products for more efficient product flows in factories and to ensure optimum utilization of production resources
- C. link development resources and operation programmes to the business areas and their various customer segments.

IMPORTANT PROJECTS IN 1996

- coordination and structuring of production and development between MDT's American sterilization and disinfection factories and those of Getinge - in progress
- production shift for flusher disinfectant manufacturing from Germany and Eslöv to the Växjö factory - completed
- concentration of Arjo's manufacturing - Hygiene systems to Sweden, patient equipment to the UK
- cost-cutting programmes within the American firm of MDT - in progress
- the Arjo Group's cost-cutting programme - completed
- quality systems in accordance with EU directives - in progress.

ENVIRONMENTAL ASPECTS

In the Getinge Group, environmental aspects are included in the various business areas' development strategies. The underlying component of the Group's environmental work is that of the prudence concept with regard to both the internal and external environment. The importance of the environmental parameters does, however, differ from one business area to another:

- environmental work within Sterilization - Health Care is orientated towards non-resource intensive equipment. The patented water-saving system was introduced into our products during the year;
- environmental resources within Sterilization - Pharmaceutical Industry are concentrated on developing, in consultation with customers, materials and process which can be used for steam sterilization, thereby including the replacement of extermination by toxic gases. Energy optimisation is another important area;
- environmental resources within Disinfection are concentrated on providing the health care sector worldwide with a system concept which enables the use of recyclable items, rather than disposable materials (re-use);
- within Arjo Hygiene systems/Patient lifts, the resources are orientated towards bringing about an improvement in the carers' working environment;
- within Getinge Distribution, the environmental resources are focused on ensuring that the products distributed are environmentally adapted, recyclable and energy-saving.

An intensive investment has been made in environmental certification in line with the environmental management system ISO 14001. This system includes creating routines for continually improving the environment as well as documenting how environmental questions are handled.

ENVIRONMENTAL POLICY

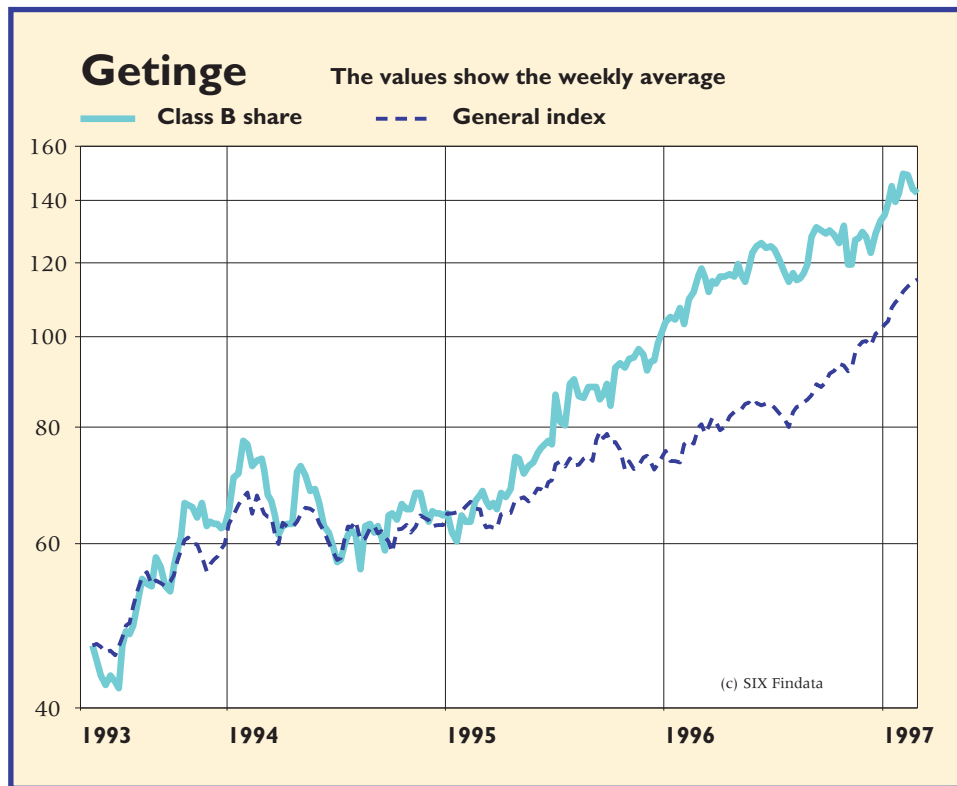
- Overall responsibility for environmental issue management within the Getinge Group lies with the respective companies' Managing Directors.
- It is incumbent upon all employees of the Getinge Group to accept their personal responsibility for health and the environment in their daily work.
- Our development in industrial technology and product development shall be characterised by the achievement of optimally positive environmental consequences.
- Our work shall be characterised by a holistic approach to our products, throughout their lifecycle, from raw material and manufacturing to use and recycling.
- We shall work to ensure that our staff, products and manufacturing processes are covered by, or comply with national laws and high standards of international environmental requirements.



Getinge's shares

In 1996, Getinge's share price reached a high of SEK 137 (22 October 1996) and a low of SEK 99.67 (2 January 1996). The final price paid for 1996 was SEK 134:50. The number of shares traded during 1996 was 43,894,400 (7,533,640). There are approximately 15,000 shareholders.

The percentage of foreign-owned shares amounts to 40% (51). The percentage of Swedish institutional ownership is 33% (24), spread over 260 institutions.



SHARE CAPITAL AND OWNERSHIP STRUCTURE

The share capital in Getinge is SEK 90,843,264, divided between 45,421,632 shares, each share having a nominal value of SEK 2. All shares are unrestricted and carry an equal right to dividends. Every class A share carries ten votes and every class B share carries one vote.

The share capital breaks down as follows:

Type of share	Number of shares	Number of votes	% of capital	% of voting rights
A	3,037,986	30,379,860	6.7	41.8
B	42,383,646	42,383,646	93.3	58.2
Total	45,421,632	72,763,506	100.0	100.0

**Development of share capital through issues**

<i>Year</i>	<i>Transaction</i>	<i>No. shares after transaction</i>	<i>Share capital after transaction, SEK</i>
1990	Formation	500	50,000
1992	Split 50:1	25,000	50,000
1992	New issue	5,088,400	10,176,800
1993	New issue	6,928,400	13,856,800
1995	New issue	7,477,662	14,955,324
1995	New issue	15,140,544	30,281,088
1996	Bonus issue	45,421,632	90,843,264

Shareholder structure of Getinge Industrier AB, as at March 1997

	<i>% of capital</i>		<i>% of voting rights</i>	
	1997	1996	1997	1996
Swedish private individuals (incl. Andersson & Bennet AB) ¹⁾	27	25	55	53
Swedish Institutions	33	24	20	15
Foreign private individuals and owners through foreign nominees	40	51	25	32
Total	100	100	100	100

The largest shareholders, as at March 1997

<i>Company</i>	<i>No. class A shares</i>	<i>No. class B shares</i>	<i>% of capital</i>	<i>% of voting rights</i>
Andersson & Bennet AB ¹⁾	3,037,986	2,775,000	12.8	45.6
Sparbankernas' Unit Trusts		3,770,100	8.3	5.2
Nordbanken's Unit Trusts		3,278,200	7.2	4.5
Acorn International, USA		1,625,000	3.6	2.2
SPP		1,485,600	3.3	2.0
Mercury, UK		1,059,174	2.3	1.5
Trygg-Hansa		827,500	1.8	1.1
Deutsche Bank		805,000	1.8	1.1
Skandinaviska Enskilda Banken, funds and foundations		741,200	1.6	1.0
Lazard, UK		618,600	1.4	0.9
Skandia		606,847	1.3	0.8
Other shareholders		24,791,425	54.6	34.0
Total	3,037,986	42,383,646	100.0	100.0

¹⁾ 83% of Andersson & Bennet AB is owned by Carl Bennet and the remainder by Rune Andersson, via Carl Bennet AB and Mellby Gård Jordbruks AB, respectively.

DIVIDEND POLICY

Future dividends will be adjusted in keeping with Getinge's profit level, financial position and future developmental potential. The aim of the Board is that dividends will comprise in the long-term, approximately one third of the profit after financial income and expenses at a standard rate of 28% tax.



Sterilization - Pharmaceutical Industry



Bengt Sjöholm, Business Area Manager

	1996	1995
Invoiced sales, SEK million	338.2	341.0
Profit after depreciation, SEK million	50.6	43.0
As % of turnover	15.0%	12.6%

The business area Sterilization - Pharmaceutical Industry comprises sterilization equipment for the pharmaceutical industry, pharmacies, R&D laboratories and, to a degree, industry as a whole, e.g. the food and laundry industry. The range of sterilization equipment is, in principle, completely comprehensive in these areas, and includes everything from customized solutions for individual customers within the industry, to a well-developed product range comprising compact, standardized sterilizers.

Sales fell during the year by 0.8% and the profit after depreciation increased by 17.7%. Adjusted for corporate acquisitions and exchange rate fluctuations, the business area's invoiced sales remained on a par with last year. The pharmaceutical industry is still undergoing major restructuring, and pricing pressure on pharmaceutical products is forcing cost-cutting measures within the pharmaceutical industry.

Growth throughout the pharmaceutical sector is good however. Experience shows that once the merger processes have been completed, invest-

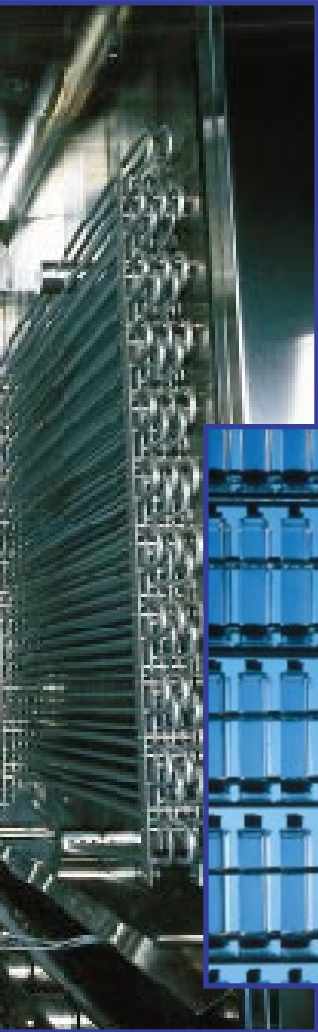


ment programmes, which are often considerably larger than the projects delayed by the mergers, begin. There is a concentration on larger production units, but fewer, and with considerably higher automation levels, than before. This is why our sales of more complete systems are becoming increasingly important.

The change in profit is primarily due to the remedial programmes implemented within the operations in the US and the UK. Those parts of the American firm, MDT, which belong to the business area have been integrated into existing operations during the year.

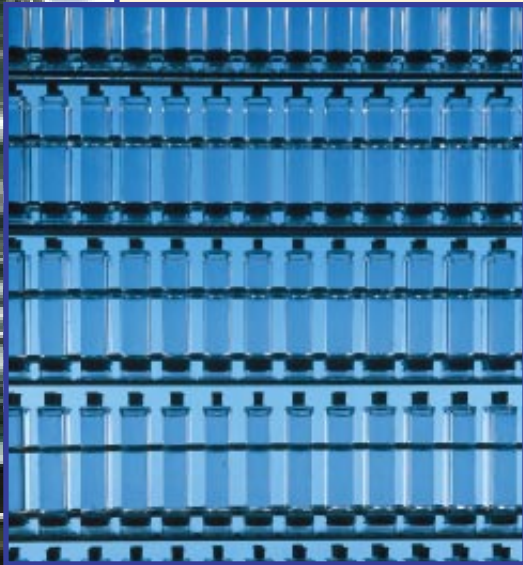
Sales have developed well, principally in Scandinavia, the US, UK and Japan.

The global market for sterilization equipment for the pharmaceutical industry and R&D laboratories is estimated at SEK 2,000 million per annum.



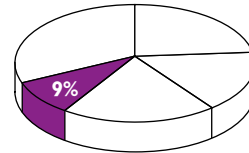
Getinge's ventilator sterilizer is amongst the most effective on the market.

Sterilization of filled syringes nowadays takes place in increasingly large sterilizers. They are loaded using robotic technology.



Welding the reinforcement channels in the new welding robot.

PERCENTAGE OF GROUP SALES, %



Getinge has long been one of the market leaders, with a market share of approximately 18%. Getinge has principally worked up the world market using its own regionally responsible sales staff, who are heavily supported by product specialists. Getinge also works with 75 qualified agents and distributors, which means that the business area reaches over 100 countries with its products.

There are only a few international competitors, who are largely concentrated in certain regions. Getinge's main competitor in the American market is Steris-Finn Aqua, whilst in Europe, it is the German company, MMM-SBM. Most of Getinge's competitors are small, local manufacturers who do not export. This category represents approximately 37% of the world market.



Closure processing system for Boehringer Mannheim



Sterilization - Health Care



Harald Castler, Business Area Manager

	1996	1995
Invoiced sales, SEK million	714.4	409.4
Profit after depreciation, SEK million	92.9	60.3
As % of turnover	13.0%	14.7%

The business area Sterilization - Health Care develops, manufactures and markets sterilization equipment for hospitals and dental clinics. The goods supplied consist of both individual products and complete systems for sterilization centres and theatre wards.

Invoiced sales increased during the year by 75.5% and the profit after depreciation by 54.1%. Adjusted for corporate acquisitions and exchange rate fluctuations, the business area's invoiced sales increased by 5.1% and the profit after depreciation by 21.2%. This improvement is attributable to increased sales in Asia and Africa. The rest of the profit increase, approximately SEK 20 million, is attributable to the MDT acquisition.

The global market for sterilizers for the health care sector is estimated at SEK 3,000 million per annum, excluding service and spare parts. Getinge has a 20% share of this market.

The market in Western Europe is overloaded, but still very unstructured. There are one or more manufacturers in every country, totalling over 20. Common standards and procurement rules within the EU have led to increased competition, result-



Fluidized pressure vessels made from acid-proof stainless steel are robotically welded, which yields a superior lifespan.

ing in falling prices. This, in turn, leads to the smaller suppliers being wiped out - we have seen two examples of this trend this year. The process is expected to continue over the next few years. In the majority of countries, Getinge sells through its own companies, manufacturing its own products in Sweden, France, the UK, the US, Australia and South Africa. Getinge is also the market leader in these countries. In the biggest market, Germany, the market share is below 10%, and the German organisation was reinforced during the year by the acquisition of van Dijk Medizintechnik, which develops and markets disposable products and accessories for sterilization centres. Van Dijk's customer base of approximately 200 hospitals is expected to have a positive effect on sales of the business area's other products.

The market is also overloaded in North America, but is well structured. There are, in principle, only three competitors here. On the customer side, however, a structural transformation is taking place due to the merger of hospitals and the formation of hospital chains. Coordinated purchasing is also pressing prices down. A new method of low temperature sterilization has been developed by



Easily accessible control unit.

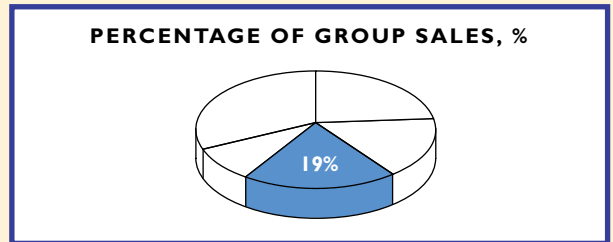
Johnson & Johnson, who have enjoyed successes in this specialist niche. The method has not been as widely accepted in other parts of the world, due to more stringent requirements for the sterilization of tube-shaped instruments, which make up the majority of the temperature-sensitive load. This type of product accounts for less than 5% of the business area's sales.

The acquisition of MDT has given Getinge a powerful sales and service organisation in the USA and Canada, and Getinge is now the world's largest manufacturer of hospital sterilizers. The American sales organisation will account for approximately 60% of the business area's total sales, with a market share in excess of 20%. The production plant in Rochester, N.Y. is being coordinated with the one in Getinge, which will produce synergy within manufacturing and product development.

The market in Japan is virtually the same as that in North America. There are, however, substantial technical trade barriers here, and the business area's sales have, to date, been negligible. The trade barriers are, however, in the process of coming down.



Getinge offers complete, efficient and economic systems for handling the sterile goods.



Growth is good elsewhere in the world, above all in the Far East, but also in Latin America and Eastern Europe. Sales of Getinge's products are via distributors in these countries. In China and Poland, sales are via our own companies, as is the case in South Africa, where manufacturing also takes place at one of our own companies. The acquisition of MDT has strengthened the business area's position in these parts of the world substantially. Joint sales offices have been established in Hong Kong, Athens and Miami, whose role is to support the well-established network of retailers.

The customer base for products within the Sterilization - Health Care and Disinfection business areas are largely found in the same institutions. Complete systems for sterilization and disinfection are, therefore, often offered jointly by the two business areas.

The only player with a worldwide organisation of locally based sales and service units is Getinge, which thus enjoys a unique position in the industry. In terms of volume, the leading competitors are Steris (formerly AMSCO) in the USA, MMM in Germany and Sakura in Japan. There are also over 50 small, but locally strong companies.



Disinfection



Johan Malmquist, Business Area Manager

	1996	1995
Invoiced sales, SEK million	627.1	646.8
Profit after depreciation, SEK million	122.3	62.7
As % of turnover	19.5%	9.7%

The business area Disinfection develops, manufactures and markets equipment for the cleaning and thermal disinfection of reusable materials.

Invoiced sales decreased during the year by 3.0%, whilst the profit after depreciation increased by 95.0%. Adjusted for corporate acquisitions and exchange rate fluctuations, invoiced sales increased by 7.5%.

The Disinfection business area's operations break down into two product lines, namely flusher disinfection and washer disinfection.

Flusher disinfection: The flusher disinfection product line accounts for 55% of the business area's turnover. The global market for flusher disinfection is estimated at approximately SEK 1,000 million. The market share has grown steadily throughout the 1990s, due to a series of acquisitions, and is now in the region of 38%. The second largest player in the market is the German firm Meiko, who have a market share of approximately 20%.



A-machine with loader and unloader mechanisms. An increasing number of customers are working to increase the efficiency of the load handling at sterilization centres.

The flusher disinfection market is currently heavily concentrated on northern and central Europe, which can, in terms of volume, be characterised as a mature region.

The market in southern and eastern Europe is growing, as is the case in the Far East and south east Asian regions.

The product line's work in 1996 has focused on the integration of Arjo's flusher disinfection operations. Arjo's flusher disinfector production in Eslöv has been moved to the main factory in Växjö, and Arjo's German flusher disinfector factory has been merged with Getinge's German production unit.



The Disinfection business area will continue to simplify handling and improve the working environment for health care personnel.

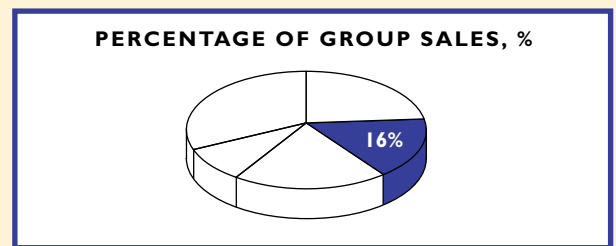
A new joint product range for Arjo and Getinge will be launched in the first quarter of 1997.

Washer disinfection: The washer disinfection product line accounts for 45% of the total volume in the business area. The global market for this product line is estimated at approximately SEK 1,500 million. Getinge's combined market share for the health care, laboratory and pharmaceutical industry customer segment is 17%. The strongest competitor is the German firm of Miele, with a market share of 22%. The washer disinfection market is a mature one with regard to the laboratory market, whilst the hospital market is growing in the USA, Japan, southern and eastern Europe and the Far East.

The acquisition of MDT in the autumn of 1996 gave the business area access to an effective sales organisation in the growing US market. The manufacturing of washer disinfectors at MDT's factory in Mercersburg, P.A., has been partially transferred to the Växjö unit.

A new under-counter washer disinfectant was launched during the year.

The product line's work in 1997 will concentrate still further on the development of new products and on making the most of the growth potential in the southern European, American and Japanese markets.



The new and cost-effective flusher disinfectant, Tornado, which will be marketed through both Arjo's and Getinge's Disinfection sales organisation



Arjo



Johan Malmquist, Business Area Manager

Arjo (<i>Hygiene systems and Patient handling</i>) 1)	1996	1995
Invoiced sales, SEK million	1,208.5	1,262.8
Profit after depreciation, SEK million	229.7	82.6
As % of turnover	19.0%	6.5%

1) Arjo's disinfection sales and profit are not included here. Instead, they have been carried over to the Disinfection business area for both 1996 and 1995.

The business area Arjo develops, manufactures and markets products and systems for hygiene and for the moving of the elderly, physically impaired and handicapped, in the care services for the elderly and health care sectors.

Invoiced sales during the year have decreased by 4.3% and the profit after depreciation has increased by 178.1%. Adjusted for exchange rate fluctuations, invoiced sales increased by 5%.

1996 was characterised by the extremely in-depth restructuring and rationalisation of the business area, with the aim of creating a strong platform for competitiveness and structure.

This platform is now in place and provides a foundation for positive volume development as the number of care receivers in the care services for the elderly sector which is Arjo's target market increases.

The Arjo organisation is divided into two product lines, Hygiene systems and Patient handling.

Hygiene systems: Sales of hygiene systems comprise 55% of the business area's total sales. The global market for hygiene systems is approximately SEK 1,400 million. Growth within the product



Maximove, with increased lifting capacity and a wide range of accessories, was introduced at the turn of 1996/97.

area is estimated to be 4%. The market in northern and central Europe is relatively mature, primarily within the institutional care sector, but growth in other regions is expected to remain good.

Arjo enjoys a very strong market position globally, with a market share of 45%. The biggest competitors are the American firm, Sunrise Medical, and the Japanese, Sakai OG Giken, with market shares of 10% and 8%, respectively.

Product development and product renewal constitute the corner stone of Arjo's recipe for success. A new lift hygiene chair known as Alenti, was launched in 1996, along with a new bathing system.

1997 will be characterised by cost rationalisation within the institutional product range, and by expansion and range extension with regard to the institutionalised forms of care, such as accommodation for the elderly, group accommodation, service homes etc.

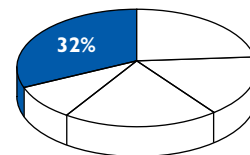
Patient handling: The sale of patient handling systems comprises 45% of the business area's total sales.

The global market for patient handling products is approximately SEK 1,300 million, and is expected to grow by over 10% in the next few years.



Sales of Trixie have developed very well in 1996. As of 1997, the product is fitted with a set of scales.

PERCENTAGE OF GROUP TURNOVER, %



The biggest growth potential is in the North American market.

Arjo's market position is also very strong in the patient handling sector, with a market share of approximately 40%. The biggest competitor is the American firm, Sunrise Medical, with a market share of 12%.

A new patient lift known as Maximove was introduced during the past year.

This year will be characterised by intensified working up of the markets with the best growth potential, namely the US, Germany and France. As is the case with the Hygiene system product line, the product range is renewed on an ongoing basis.

Sales of hygiene systems and patient handling equipment are made almost exclusively through Arjo's 21 sales companies. The market is worked up intensively and approximately 400 people are employed in sales and marketing. 30 or so agents and retailers in south east Asia, the Far East, Middle East and Eastern Europe account for approximately 2% of Arjo's total turnover.

Finally, the structural and cost rationalisation programme presented shortly after the merger with Arjo was implemented and concluded over the past year.

The business area will in future focus on:

- developing the sales organisation
- product renewal with the emphasis on the smaller institutionalised long-term care establishments
- the acquisition of complementary products with global potential in the care services for the elderly sector
- continued efforts to strengthen competitiveness, with the emphasis on production costs



The Alenti Lift Hygiene Chair was launched in the autumn of 1996.



Getinge Distribution



Leif Marklund, Product Line Manager, Dental and Medical



Anders Barnell, Product Line Manager, Health food

<i>SEK million</i>	1996	1995 <i>12 months (proforma)</i>	1995 <i>5 months¹⁾</i>
Invoiced sales, SEK million	911.2	1,026.6	447.8
Profit after depreciation	40.8	61.9	36.7
As % of turnover	4.5%	6.0%	8.2%

1) Invoiced sales and profits are included as from August 1995.

The business area Getinge Distribution comprises three product lines: Dental, Health food and Medical.

Sales per product line	1996	1995 <i>12 months (proforma)</i>
DENTAL	554.6	586.1
HEALTH FOOD	283.7	357.1
MEDICAL	72.9	83.4
	911.2	1,026.6

DENTAL

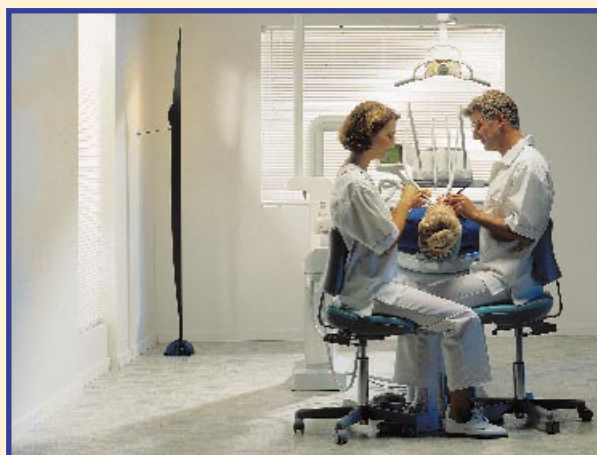
The Dental Group comprises eleven strong sales-orientated companies, which collectively supply the various requirements of Nordic dentists for disposable items, equipment and technical service.

The companies operating in the Swedish market are DAB Dental, Nordenta and DAB Ortodonti, those operating in the Norwegian market are Nordenta, Scadenta and Norodont, whilst those operating in Denmark are Dansk Nordenta and DDF. DDF has founded a new department during the

year for the sale of disposable items. Another company, SDL, concentrates mainly on the export markets as does Directa Dental in Stockholm which was acquired in 1996. A new company, Oy Nordenta AB, was founded in the Finnish market in 1996. The company is managed and run in accordance with the same concept as Nordenta in Enköping.

The focus during the 1996 financial year was on both new ventures and on creating a cost-effective and profitable logistics structure within the Group. All of the Group's Danish and Norwegian companies are supplied with products and equipment from Dansk Nordenta's warehouse in Aarhus, Denmark. Another logistics system is currently being built up and will, as from the summer of 1997, supply all of the Group's Swedish and Finnish customers and export customers.

The combined savings effects, both on the overheads side and in the form of reduced capital immobilization, are expected to be considerable.



Getinge's dental companies deal with the world's leading manufacturers of dental equipment.

The previous investment in the private label range has continued and been intensified during the year. The Qualident brand name has been launched in Denmark and Norway.

The Group has also signed an important agreement with Dentsply Implant Division concerning the sale of dental implants in the growing Nordic market. Sales have commenced in Sweden and are very promising.

The market development in the other subsidiary markets has varied. Wide-ranging restraint has been the rule in Sweden, principally with regard to investment products, due to the drawn out discussions on changes to the insurance systems. The markets in Denmark and Norway, together with the export markets, have, by contrast, been more stable, and have displayed healthy growth in certain sectors.

The Group's future strategy is intended to confirm the very strong market position in the Nordic region and to make the most of the savings within the logistics sphere. The product line will continue its development through acquisitions and the new foundation of companies in certain prioritized markets in northern Europe in order to achieve synergistic benefits within purchasing and administration.

MEDICAL

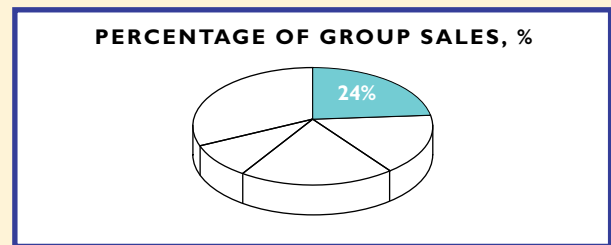
LIC Audio and Axima Instrument have been affected by restricted demand from the Swedish public sector during the year. Rationalisations have been implemented with the aim of counteracting the reduction in sales, and Axima, which is in



The Health food operations have a product range comprising approximately 3,000 articles.

an expansive phase, has complemented its product range.

NeuroMédica works with neurosurgical instruments in the Spanish market. The company has experienced a certain amount of subdued demand in the autumn, primarily due to a fall in the country's birth rate. The range has been complemented with new products, principally in the equipment sector. New sales of these products were healthy during the winter, and a continued positive trend is, therefore, expected in 1997.



HEALTH FOOD

The product line comprises two companies, namely Hälsokostcentralen - the market leading wholesaler to the single-line retail trade - and MaxMedica, the leading supplier of health food products.

Hälsokostcentralen supplies products to approximately 900 customers in Sweden. The range comprises approximately 3,000 items including natural medicines, vitamins, minerals, natural food and hygiene products. MaxMedica holds the agencies for well-known brand names such as Gerimax, Q10 Max, Esberitox, Esbericum, Remifemin and Efamol.

Customers of both Hälsokostcentralen and MaxMedica include Life, Hälsokost för alla, Naturapoteket, Åhléns, Your Store and Existbutikerna.

The market did not recover from a decline in consumption until the final two months of the year.

The market situation and the competition, which largely comprises Frejborgs and ADA, has led to increased pricing pressure.

After a difficult year for the entire industry, structural changes have been implemented which, when coupled with internal reinforcements, will lead to improved profitability for Health Food.



Directors' Report

CORPORATE ACQUISITIONS

At the end of July 1996, Getinge acquired the shares in MDT. The purchase price was approximately USD 37 million, corresponding to approximately SEK 247 million. An intensive restructuring programme is in progress to restore profitability within MDT and to develop synergy between the Group companies. The goodwill in the acquisition is approximately USD 34 million (approx. SEK 224 million). The acquisition of MDT gives the Getinge Group a significant position in the American market and makes it the world leader in the fields of Sterilization and Disinfection. MDT brings the Getinge Group an annual turnover of approximately USD 120 million (approx. 800 million). The restructuring programme will mean a reduction in the cost level in MDT of around 25% and is expected to improve MDT's operating profit by about SEK 100 million. The vast majority of this restructuring is expected to be completed before the end of 1997. MDT's operating loss on a 12 monthly basis before the acquisition was approximately SEK 40 million. MDT has been included in the Group's Profit & Loss account as from August 1996. It has subsequently been renamed Getinge Castle.

The acquisition in May 1996 of the German company, van Dijk Medizintechnik GmbH brought the business area Sterilization - Health Care a complementary product range for sterilizing centres and a market organisation which improves the penetration of the German health care sector. The company has about 20 employees.

SALES AND MARKET OVERVIEW

Orders received for the Getinge Group increased by 20.8%. Adjusted for corporate acquisitions and exchange rate fluctuations, orders received increased by 1.2%.

<i>SEK million</i>	1996	1995	<i>Change, %</i>
Orders received	3,844.7	3,183.5	+20.8
Order backlog, 31 December	764.9	558.7	+36.9
Invoiced sales	3,799.4	3,222.9	+17.9

1) Adjusted for corporate acquisitions and exchange rate fluctuations, the Group's sales increased by approximately 2%.

<i>SEK million</i>	1996	1995	<i>Change, %</i>
Operating profit after depreciation	536.3	396.1	35.4
As % of invoiced sales	14.1	12.3	1.8
Profit before tax	497.1	388.9	27.8
As % of invoiced sales	13.1	12.1	1.0
Net profit	392.8	321.4	22.2
EPS after full tax, SEK	8.65	7.27	19.0
Return on capital employed, %	29.6	30.1	-0.5
Return on equity, %	42.3	32.7	9.6

See page 3 for key ratio definitions.

Sales by the Getinge Group in the Sterilization and Disinfection business areas have developed well in Scandinavia, whilst the sales performance in Western Europe came under pressure in terms of both volume and price. Sales in the US have developed well within Sterilization - Pharmaceutical Industry, whilst sales to the health care industry remained unchanged. The sales performance in Asia was good, whilst the increase in Eastern Europe was smaller than last year. Arjo reported a small growth in volume. A minor reverse was noted in Northern and Central Europe, although the other regions experienced good growth during the year. Sales to the dental sector by the Getinge Distribution business area have noted a minor reverse in the principal markets of Sweden, Norway and Denmark, whilst Health Food and Medical, which are concentrated on the Swedish market have noted declining volumes.

RESULTS

The Getinge Group's operating profit after depreciation was SEK 536.3 million (396.1), corresponding to 14.1% (12.3) of invoiced sales. The operating profit in comparable units increased by approximately 24%.

The improved profit is primarily attributable to the Sterilization - Pharmaceutical Industry's operations in the US and the UK. Within the Sterilization - Health Care business area, it was the MDT acquisition and developments in Asia which contributed to the improved profit. Within Disinfection, the improved profit is attributable to



improved capacity utilization in the factories and to the synergy effects achieved with Arjo. The vigorous cost-cutting programme within Arjo contributed to the improved profit for this business area. Net financial items totalled -SEK 37.9 million (-7.2), of which net interest items were -SEK 32.2 million (5.9). The Group's pre-tax profit increased by 27.8% to SEK 497.1 million (388.9), corresponding 13.1% (12.1) of invoiced sales.

TAXES

The Group's total taxes amounted to SEK 104.3 Million (66.3), corresponding to 21.0% (17.0) of the pre-tax profit. The fact that the Group's profit has, in part, arisen in foreign subsidiaries with a lower tax burden and that the Group can utilize loss deductions (see also Note 5) have contributed to the tax burden falling short of the anticipated level, based on the Swedish corporate tax rate of 28%.

TIED UP CAPITAL

The total value of stock-in-trade at the end of 1996 was SEK 699.1 million (532.8), corresponding to 18.4% (16.5) of sales. Adjusted for sales prior to the acquisition in companies acquired during the year, the figure for the year is 17.0%.

Accounts receivable totalled SEK 931.4 million (708.2) at the end of 1996, corresponding to 24.5%, or an adjusted figure of 22.1%. Capital employed within the Group totalled SEK 1,811.8 million (1,317.0), corresponding to 29.6% (30.1) of turnover. Goodwill totalled SEK 888.3 million (676.5) at the end of the financial year. The increase is largely associated with the acquisition of MDT, for which the goodwill at the time of acquisition totalled SEK 224.0 million.

INVESTMENTS

The Group has invested SEK 103.4 million (74.2) in the ongoing operations, excluding investments in respect of the companies acquired during the year.

FINANCIAL POSITION

Approximately 80% of the Getinge Group's operations are located outside Sweden. This situation entails a substantial exposure to risks in connection with changes in the value of the Swedish krona in relation to other currencies. These risks are principally linked to the fact that purchasing and sales transactions are often carried out in foreign currencies (transaction risk) and to the fact that foreign subsidiaries' operations in local currencies are converted to Swedish kronor in the

Consolidated Accounts (conversion risk). The conversion risk is also expressed in changes to the shareholders' equity, which the Group has invested in foreign subsidiaries, in conjunction with new closing rates of exchange.

The Group has established central routines for hedging both capital invested and anticipated future commercial revenue flows in order to limit this risk exposure.

The Group's net assets in foreign subsidiaries are hedged, either fully or in part, through liabilities or currency futures. On 31 December 1996, the Group had outstanding futures contracts of this kind totalling SEK 1,620.0 million (1,055.9), including loans. As the exchange rate effects are produced as profits in the hedging company in conjunction with the redemption of the contracts, and are then subject to taxation, the size of the futures contract is adapted so that after the fiscal effect, they correspond to the shareholders' equity in the subsidiaries.

The Group hedges anticipated future commercial revenue flows to reduce the effect on the profit of exchange rate fluctuations. Such flows are sold forward, based on currency risk assessments, and deducted from the profit when the flows materialise.

The Group's liquid assets totalled SEK 166.1 million (274.0) and its net debt totalled SEK 1,119.2 million (615.8). The acquisition of the shares in MDT (approx. USD 37 million) together with acquisition costs and payments made in connection with restructuring (approx. USD 10 million) were financed through loans of approximately USD 76 million (approx. SEK 520 million). The Group's cash flow before investments totalled SEK 263.5 million (366.8).

SHAREHOLDERS' EQUITY

Shareholders' equity at the year end was SEK 1,093.0 million (801.8), giving an equity/ assets ratio of 31.3% (29.4). The return on shareholders' equity was 42.3% (32.7).

EMPLOYEES

There were 3,495 (2,729) employees at the year end, 912 (989) of whom were employed in Sweden. Companies acquired accounted for 888 (430) of the overall total. The Parent Company had 5 (3) employees at the year end.

The breakdown of staff by country and gender, together with the salaries and remunerations paid for the Group and the Parent company are specified in Note 17.



Proposed allocation of profits

The Group's unrestricted shareholders' equity, as per the Balance Sheet compiled, totals SEK 454.5 million.

The following Parent Company earnings are at the disposal of the Annual General Meeting:

Net profit for the year	SEK 293.2 million
Profit carried forward	SEK 56.3 million
<hr/>	<hr/>
Total	SEK 349.5 million

The Board and the Managing Director propose

<i>that</i> a dividend be paid to the shareholders of SEK 2:50 per share	SEK 113.6 million
<i>that</i> the following be carried forward	SEK 235.9 million
<hr/>	<hr/>
Total	SEK 349.5 million

With regard to the Group's and the Parent Company's profits and position in general, reference is made to the following Account documents.

Getinge, 10 March 1997

Rune Andersson
Chairman

Sven Borelius

Roger Holtback

Thomas Esko
*Swedish Metal Workers'
Union Representative*

Gert Klarén
*Swedish Foremen's and
Supervisors' Association Representative*

Carl Bennet
Managing Director

Our Auditors' Report was submitted on 12 March 1997.

Arthur Andersen AB

Mats Fredricson
Authorized Public Accountant



Profit and Loss Accounts

<i>SEK million</i>	THE GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Operating income and expenses				
Invoiced sales <i>Note 1</i>	3,799.4	3,222.9	34.8	34.9
Manufacturing, sales and administration costs	- 3,147.0	- 2,749.7	- 45.6	-35.3
Operating profit before depreciation	652.4	473.2	- 10.8	- 0.4
Depreciation and amortisation according to plan .. <i>Note 2</i>	- 116.1	- 77.1	- 0.2	- 0.1
Operating profit after depreciation	536.3	396.1	- 11.0	- 0.5
<i>Financial income and expenses</i>				
Interest income	44.0	38.0	30.7	4.0
Interest expenses	- 76.2	- 32.1	- 74.1	- 27.2
Other financial items <i>Note 3</i>	- 5.7	- 13.1	273.8	125.5
<i>Associated companies</i>				
Shares in profits of associated companies/amortisation of participations	- 1.3	-	- 2.6	-
Profit before allocations and taxes	497.1	388.9	216.8	101.8
Appropriations <i>Note 4</i>	-	-	76.7	-
Profit before tax	497.1	388.9	293.5	101.8
Taxes..... <i>Note 5</i>	- 104.3	-66.3	- 0.3	- 0.1
Minority interests	0.0	-1.2	-	-
Net profit for the year	392.8	321.4	293.2	101.7



Balance Sheets

<i>SEK million</i>	THE GROUP		PARENT COMPANY	
	1996	1995	1996	1995
ASSETS				
Current assets				
Liquid funds..... <i>Note 13</i>	166.1	274.0	29.5	0.5
Receivables..... <i>Note 6</i>	1,106.5	828.8	877.9	76.0
Stock-in-trade.....	699.1	532.8	–	–
Total current assets.....	1,971.7	1,635.6	907.4	76.5
Fixed assets				
Shares in subsidiaries..... <i>Note 7</i>	–	–	3,355.3	3,285.2
Shares in associated companies..... <i>Note 8</i>	6.4	8.6	6.4	8.9
Long-term receivables.....	6.5	10.3	–	–
Goodwill..... <i>Note 9</i>	888.3	676.5	–	–
Other fixed assets..... <i>Note 10</i>	616.1	395.3	3.4	3.3
Total fixed assets.....	1,517.3	1,090.7	3,365.1	3,297.4
TOTAL ASSETS	3,489.0	2,726.3	4,272.5	3,373.9
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Non-interest bearing liabilities..... <i>Note 11</i>	1,060.3	998.0	773.1	337.8
Interest bearing current liabilities..... <i>Note 13</i>	1,193.0	851.7	997.0	736.1
Total current liabilities.....	2,253.3	1,849.7	1,770.1	1,073.9
Long-term liabilities				
Non-interest bearing liabilities..... <i>Note 12</i>	51.0	36.7	–	–
Interest-bearing liabilities:				
Long-term loans..... <i>Note 13</i>	69.7	33.7	–	–
Allocation to pensions,..... <i>Note 13</i>	22.6	4.4	–	–
Total long-term liabilities.....	143.3	74.8	–	–
Minority interests	– 0.6	–	–	–
Untaxed reserves				
Periodization reserve.....	–	–	17.4	17.4
Total untaxed reserves.....	–	–	17.4	17.4
Shareholders' equity				
Share capital..... <i>Notes 14, 15</i>	90.8	30.3	90.8	30.3
Restricted reserves.....	547.7	396.0	2,044.7	2,105.2
Total restricted shareholders' equity..... <i>Notes 14, 15</i>	638.5	426.3	2,135.5	2,135.5
Unrestricted reserves.....	61.7	54.1	56.3	45.4
Net profit for the year.....	392.8	321.4	293.2	101.7
Total unrestricted shareholders' equity..... <i>Notes 14, 15</i>	454.5	375.5	349.5	147.1
Total shareholders' equity.....	1,093.0	801.8	2,485.0	2,282.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,489.0	2,726.3	4,272.5	3,373.9
Contingent liabilities..... <i>Note 16</i>	50.1	39.4	287.9	271.6
Pledged assets..... <i>Note 16</i>	1,664.0	935.0	3,055.5	570.8



Statements of Source and Application of Funds

<i>SEK million</i>	THE GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Operations				
Operating profit before depreciation.....	652.4	473.2	- 10.8	-0.4
Financial items	- 37.9	- 7.2	230.3	102.3
Share in profits of associated companies.....	- 1.3	-	-	-
Taxes paid.....	- 55.4	- 66.3	- 0.3	-0.1
Minority shares in the profit.....	-	- 1.2	-	-
Arjo's loss, 1/10/95 - 31/12/95	-	- 228.3	-	-
Cash flow before changes to operating capital and investments	557.8	170.2	219.2	101.8
Changes in operating capital				
Stock-in-trade	24.1	3.4	-	-
Current receivables.....	- 83.8	-3.5	- 801.9	- 55.0
Current operating liabilities	- 41.2	57.7	336.9	317.5
Restructuring reserves, Arjo	- 134.3	139.0	-	-
Restructuring reserves, MDT.....	- 59.1	-	-	-
Cash flow before investments.....	263.5	366.8	- 245.8	364.3
Investments				
Direct net investments in machinery, equipment and buildings.....	- 103.3	- 74.2	- 0.3	-
Corporate acquisitions:				
Subsidiaries	- 319.3	- 622.7	- 83.4	- 2,562.5
Associated companies	-	2.9	-	-
Cash flow after investments.....	- 159.1	-327.2	- 329.5	-2,198.2
Financial activities				
Change in long-term receivables.....	3.9	- 3.5	-	-
Change in loans	131.1	584.2	359.3	318.3
Group contribution received from subsidiaries	-	-	76.7	-
Depreciation of shares in subsidiaries.....	-	-	13.3	-
Change in deferred tax	4.3	18.3	-	-
Change of minority interests.....	- 1.4	-	-	-
New issue, class A shares in Getinge	-	139.5	-	139.5
New issue, class B shares in Getinge	-	15.3	-	1,762.4
Swap for shares in Arjo.....	-	-15.3	-	-
Dividend paid.....	- 90.8	-242.1	- 90.8	-34.6
Costs in connection with Getinge/Arjo merger.....	- 7.7	-70.6	-	-
Cash payment for Arjo shares.....	-	-208.6	-	-
Reserve for compulsory redemption of outstanding shares in Arjo	-	-5.6	-	-
Cash flow after financial activities	- 119.7	-115.6	29.0	-12.6
Other items				
Translation difference in shareholders' equity.....	- 3.0	- 58.8	-	-
Other	- 7.1	-3.4	-	-
Change in liquid funds	- 129.8	-177.8	29.0	-12.6
Cash and bank in companies acquired.....	21.9	88.0	-	-
Change in liquid funds, as per Balance Sheet	- 107.9	-89.8	29.0	-12.6



Comments to the Accounts

CONSOLIDATED ACCOUNTS

Getinge's accounts comprise the Parent Company and all companies in which Getinge Industrier AB directly owns more than half of the shares' votes.

Companies acquired are consolidated in the Consolidated Accounts in accordance with the acquisition accounting method. Arjo is reported in accordance with the pooling method (see below).

Companies acquired during the year have been included in the Consolidated Profit and Loss Account from the date of acquisition. An assessment of deferred tax on acquired untaxed reserves is made in conjunction with the acquisition. Deferred tax on the difference between the calculated market values of assets and liabilities and the fiscal residual value are further calculated to the extent that the difference is not included in untaxed reserves.

When eliminating internal transactions, the fiscal effect is also calculated on the basis of rates of taxation then applicable in the respective country. Untaxed reserves earned after the acquisition are, in the Consolidated Balance Sheet, divided into deferred tax liability and restricted shareholders' equity, employing the effective rate of taxation in the respective country.

Getinge employs the so-called current method when converting foreign subsidiary companies' Balance Sheets and Profit and Loss Accounts. This means that all assets and liabilities in the subsidiaries are converted at the closing day rate, whilst all items in the Profit and Loss Accounts are converted at the average rate. The translation differences arising in this context are an effect both of the difference between the average rates of the Profit and Loss Accounts and the closing day rates, and of the fact that net investments are converted at a different rate at the end of the year than at the beginning of the year. Translation differences are not carried forward in the Profit and Loss Account and are instead, carried directly to equity.

The Parent Company, or parent companies of subgroups, raise loans or enter into forward contracts in foreign currencies as a balance against net investments in foreign subsidiaries. The exchange rate differences on these loans/futures, after deductions for fiscal effects attributable thereto, have been carried directly to equity in the Consolidated Balance Sheet to the extent that they correspond to the translation difference in the shareholders' equity in the foreign subsidiaries hedged in this fashion.

Arjo's financial year, at the time of the merger with Getinge during the fourth quarter of 1995, was not the same as the calendar year. When drawing up the Consolidated Accounts as of 31 December 1995, Arjo's Profit and Loss Account for the period from 1 October 1994 to 30 September 1995 was combined with Getinge's Profit and Loss Account for the period from 1 January to 31 December 1995. Arjo's result for the period from 1 October to 31 December 1995 has been carried directly to shareholders' equity in the Consolidated Balance Sheet in the amount of SEK 228.3 million.

ASSOCIATED COMPANY ACCOUNTS

The equity accounting method is applied to companies which are not subsidiaries, but in which the Group, either directly or indirectly, has a long-term operational holding which corresponds to at least 20% of the votes.

The "Shares in profits of associated companies" item in the Consolidated Profit and Loss account is the Group's share in the pre-tax profits of associated companies.

The Group's share in associated companies' taxes is included in the Group's fiscal charge. The book value of the shareholding is changed in the Consolidated Balance Sheet in the amount of the net share in profits in the Consolidated Profit and Loss Account.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

All receivables and liabilities in foreign currencies are converted at the closing day rates. When the rate paid is hedged by means of futures transactions, the forward contract's rate is employed. Exchange rate differences with regard to the ongoing commercial activities are credited/charged to the operating profit, whilst exchange rate differences of a financial nature are reported under financial income and expenses.

STOCK-IN-TRADE

Stock is reported at whichever is the lower of the acquisition value in accordance with the first in/first out (FIFO) principle, after deductions for obsolescence and true value.

WORK IN PROGRESS

Work in progress is valued at costs directly borne and a reasonable percentage of indirect costs. In the event of work in progress being more than 90% complete



and of it being possible to calculate remaining costs with full certainty, the total gross profit has been calculated and provision made for remaining costs. Work in progress of this kind is included in Invoiced sales and Accounts receivable.

RESEARCH AND DEVELOPMENT

Research and Development costs are carried to operating costs directly when they arise.

FIXED ASSETS AND DEPRECIATION ACCORDING TO PLAN

Fixed assets are reported at the historic acquisitions values less accumulated depreciation according to plan. Depreciation according to plan is based on the historic acquisition values of the assets in use and which have not been fully depreciated. The depreciation rates employed are based on individually assessed lifespans and are, in general:

for land improvements	3 %
for buildings	3 %
for machinery and equipment	7 %
for production tools	20 %
for computer equipment	33 %
for vehicles	25 %

Consolidated goodwill arising in conjunction with corporate acquisitions are depreciated linearly according to the plan drawn up for each acquisition over their anticipated economic life. For long-term strategic corporate acquisitions, the depreciation period can be extended to up to 20 years, from the maximum period otherwise applied of 10 years. This is the case with the goodwill item in most of the Group's acquisitions, when the companies referred to are of a medical-technical nature with base products which are deemed of strategic importance for the Group.

FINANCIAL LEASING

Properties, which are disposed of under leasing agreements on terms and conditions whereby the Getinge Group enjoys benefits thereof and bears the financial risk associated with the use of the properties for the majority of their economic life, are reported as assets in the Consolidated Balance Sheet, at the current value of the agreed minimum leasing fees. Buildings disposed of in this fashion are depreciated over the anticipated economic life in the same way as if the Group had owned the properties. An amount corresponding to the properties' book value is booked as a liability in the Consolidated Balance Sheet.



Notes

1	Invoiced sales	1996	1995
	<i>The Group's invoiced sales break down as follows:</i>		
	Sweden	825.0	496.3
	Nordic countries, other	312.9	194.6
	Western Europe, other	1,482.2	1,582.2
	Eastern Europe	75.9	119.1
	USA and Canada	793.0	553.2
	Asia, Australia, Africa, Middle East, Latin America	310.4	277.5
	Total	3,799.4	3,222.9

2	Depreciation and amortisation according to plan	THE GROUP		PARENT COMPANY	
		1996	1995	1996	1995
	Goodwill	- 43.0	- 22.7	-	-
	Machinery and equipment	-59.1	- 42.5	- 0.2	- 0.1
	Buildings and land improvements	-14.0	- 11.9	-	-
	Total	- 116.1	- 77.1	- 0.2	- 0.1

3	Other financial items	THE GROUP		PARENT COMPANY	
		1996	1995	1996	1995
	Dividend from subsidiaries	-	-	258.8	110.4
	Appreciation of shares in subsidiaries	-	-	69.5	38.6
	Write-down of shares in subsidiaries	-	-	- 82.8	- 38.6
	Profit on internal sale of shares	-	-	22.9	-
	Exchange rate profits/losses	- 0.7	- 4.6	5.9	15.1
	Other	- 5.0	- 8.5	- 0.5	-
	Total	- 5.7	-13.1	273.8	125.5

The Parent Company has raised loans or entered into futures contracts in foreign currencies as a balance against net investments in subsidiaries. SEK 5.5 million (SEK 12.9 m) of the exchange rate differences on these loans/futures have been carried directly to equity in the Consolidated Accounts during 1996.

4	Appropriations	PARENT COMPANY	
		1996	1995
	Depreciation in excess of plan	0.0	-
	Group contributions received	76.7	-
	Total	76.7	-



5	Taxes	THE GROUP		PARENT COMPANY	
		1996	1995	1996	1995
	Tax paid				
	Swedish income tax	- 1.3	- 18.8	- 0.3	- 0.1
	Foreign tax	- 54.2	- 45.4	-	-
	Associated companies	0.1	-	-	-
	Deferred tax	- 48.9	- 2.1	-	-
	Total	- 104.3	- 66.3	- 0.3	- 0.1

Full provision for tax has been made, which provision also covers ongoing disputes with the tax authorities. Fiscal deficits in separate countries which, when utilized in full, correspond to an asset value of approximately SEK 75 million, are not included in the Balance Sheet.

6	Receivables	THE GROUP		PARENT COMPANY	
		1996	1995	1996	1995
	Receivables from subsidiaries	-	-	839.4	41.0
	Accounts receivable	931.4	708.2	-	-
	Prepaid costs and accrued income	125.7	48.4	32.6	26.1
	Other current receivables	49.4	72.2	5.9	8.9
	Total	1,106.5	828.8	877.9	76.0

7	Shares in subsidiaries	<i>Number</i>	<i>Nominal amount SEK thousand</i>	<i>Book value SEK Million</i>	
				1996	1995
	Swedish companies:				
	Arjo AB	23,062,334	23,062	2,012.3 ¹⁾	2,004.8
	Getinge AB	50,000	5,000	452.2	452.2
	Getinge Aeroplane AB	100	100	0.1 ²⁾	-
	Getinge Airship AB	100	100	0.1 ²⁾	-
	Getinge Disinfection AB	25,000	2,500	117.7	117.7
	Getinge Skärhamn AB	500	50	1.4 ³⁾	0.9
	Getinge Sverige AB (formerly Laveur AB)	1,000	100	0.1 ⁴⁾	0.1
	AB Hälsokostcentralen	900	900	206.5 ⁵⁾	-
	LIC Care AB	7,557,620	15,115	471.9 ⁶⁾	553.8
	Total Swedish companies			3,262.3	3,129.5

(Cont.)



7 (CONT.)	Shares in subsidiaries	Number	Nominal amount SEK thousand		Book value SEK Million	
					1996	1995
Foreign companies:						
	Getinge GmbH, Austria	2	ATS	500	0.3	0.3
	Getinge Australia Pty Ltd., Australia	39,500	AUD	79	8.6 ⁷⁾	4.6
	Getinge D S E, Belgium	600	BEF	6,000	1.5	1.5
	Getinge Sterilizing Equipment Inc, Canada	1,230,100	CAD	300	1.3	1.3
	Getinge Reinsurance AG, Switzerland	2,000	CHF	2,000	12.7 ⁷⁾	10.1
	Getinge Växjö A/S, Denmark	300	DKK	300	0.4	0.4
	Oy Getinge AB, Finland	15	FIM	15	0.0	0.0
	Lequeux S A, France	41,000	FRF	18,000	55.0	55.0
	Getinge Nederlands B V, Netherlands	29,172	NLG	712	10.0	10.0
	Getinge/Arjo A/S (Getinge-Växjö A/S), Norway	500	NOK	500	0.6	0.6
	Getinge Poland Ltd, Poland	500	PLN	57	0.4	0.4
	Getinge South Africa Pty Ltd, South Africa	100	ZAR	1	2.2	2.2
	Getinge Disinfection Ltd, UK				– ⁸⁾	7.5
	The Sterilizing Equipment Co. Ltd, UK				– ⁸⁾	14.8
	Getinge International Inc, USA				– ⁸⁾	33.9
	ZK Hospital Bedarfs GmbH, Germany				– ⁸⁾	13.1
	Getinge Hong Kong Ltd, Hong Kong				– ⁹⁾	0.0
	Total foreign companies				93.0	155.7
	Total				3,355.3	3,285.2

Sub-Groups include the following companies:

Australia: Arjo Hospital Equipment Pty Ltd.

Austria: Arjo SIC GmbH

Belgium: Arjo Hospital Equipment NV

Canada: Arjo Canada Inc., Getinge Castle Ltd.

Czech Republic: Arjo Hospital Equipment sro

Denmark: Arjo A/S, Arjo Ergonor A/S,
Dansk Nordenta A/S, Dental Depotet Flex A/S

Finland: Oy Nordenta AB

France: Arjo Equipement Hospitaliers SA, Lancer
SNC, Peristel SA, Stirn SA

Germany: Arjo Systeme GmbH, Egon Lucas Med.
Technik GmbH, Getinge Productions GmbH,
Getinge Service GmbH, Marc Horn GmbH,
Meditechnik GmbH, van Dijk Medizintechnik
GmbH, ZK Hospital Bedarfs GmbH

Greece: Getinge Castle International

Hong Kong: Arjo Ltd. Hong Kong,
Getinge Castle Asia Ltd.

Italy: Arjo Italia Spa

Japan: Arjo Japan KK

Netherlands: Arjo Nederland BV, Getinge D.S.E.
BV, Lancer Holland BV, van Dijk Meditechnik
Nederland

Norway: LIC Nordenta A/S, Norodont A/S,
Scadenta A/S

Switzerland: Arjo Sic AG

Spain: Arjo Spain S.A., Lequeux Española SL,
NeuroMédica SA

Sweden: Arjo Hospital Equipment AB, Arjo
International AB, Arjo Sweden AB, Axima Instru-
ment AB, DAB Dental AB, DAB Ortodonti AB,
Directa Dental AB, Lic Audio AB, Livol AB,
MaxMedica AB, AB Nordenta, Svenska Dental
Instrument AB, TSP Medical AB (60%)

UK: Arjo Ltd UK, British Sterilizer Ltd.,
The Sterilizing Equipment Co. Ltd.

US: Arjo Inc USA, Arjo Manufacturing Co.,
Getinge International Inc., Getinge Castle Inc.
(formerly MDT Corp.), Lancer USA Inc.

Some of the companies were acquired during the year, The Getinge Castle companies are consolidated as of August 1996, the van Dijk companies as from May, Directa Dental AB as from November and TSP Medical AB as from April.


7 (CONT.)

- ¹⁾ Additional costs for the 1995 acquisition of Arjo AB have been added during the year.
²⁾ Newly formed company during the financial year. The operations are dormant, as of 31/12/96.
³⁾ A shareholders' contribution of SEK 0.5 million has been paid to Getinge Skärhamn AB.
⁴⁾ Shareholders' contribution of SEK 0.5 million to Getinge Sverige AB (formerly Laveur AB). The contribution was then written down.
⁵⁾ All shares in Hälsokostcentralen AB were acquired from LIC Care AB during the year, after which they were appreciated by SEK 70.0 million.
⁶⁾ Additional costs of SEK 0.8 million have been added during the year for the 1995 acquisition of Lic Care AB, after which write-down has been made of SEK 82.8 million.
⁷⁾ New share issues were carried out during the year.
⁸⁾ The companies have been sold off from the Parent Company to sub-Groups. The transactions yielded an intra-Group profit in the Parent Company of SEK 22.9 million.
⁹⁾ The company was liquidated during the year.

8	Shares in associated companies	<i>Holding %</i>	<i>Nominal amount SEK thousand</i>	<i>Book value SEK Million</i>
	Steritec GmbH, Germany	30%	390 DEM	6.4

THE GROUP

9	Goodwill	1996	1995
	Acquisition value.....	971.3	704.6
	Accumulated amortisation according to plan.....	- 83.0	- 28.1
	Book value	888.3	676.5

THE GROUP

10	Other fixed assets	1996	1995	1996	1995
	Machinery and equipment				
	Acquisition value.....	552.5	365.0	0.6	0.3
	Accumulated depreciation according to plan.....	- 323.9	- 223.8	-0.3	- 0.2
	Residual value according to plan.....	228.6	141.2	0.3	0.1
	Buildings				
	Acquisition value.....	447.7	308.0	2.0	2.0
	Accumulated depreciation according to plan.....	- 123.5	- 87.4	-0.2	- 0.1
	Residual value according to plan.....	324.2	220.6	1.8	1.9
	Land and land improvements				
	Acquisition value.....	65.3	34.8	1.3	1.3
	Accumulated depreciation according to plan.....	- 2.0	- 1.3	-	-
	Residual value according to plan	63.3	33.5	1.3	1.3
	Total residual value according to plan	616.1	395.3	3.4	3.3

The tax assessment value of the Group's Swedish properties is SEK 91.3 million (SEK 86.0 m), of which SEK 14.9 million (SEK 20.8 m) refers to land. The book value of these properties is SEK 143.7 million. The Parent Company's property has a tax assessment value of SEK 1.1 million (SEK 1.1 m), of which SEK 0.5 million (SEK 0.5 m) refers to land.



		THE GROUP		PARENT COMPANY	
11	Non-interest bearing liabilities, current	1996	1995	1996	1995
	Liabilities to subsidiaries.....	–	–	756.5	287.8
	Accounts payable.....	387.7	369.9	5.3	30.0
	Tax liability.....	11.9	5.9	0.1	0.1
	Accrued costs and prepaid income.....	514.4	481.3	10.9	19.8
	Advances from customers.....	42.1	35.7	–	–
	Other current liabilities.....	104.2	105.2	0.3	0.1
	Total	1,060.3	998.0	773.1	337.8
		THE GROUP		PARENT COMPANY	
12	Non-interest bearing liabilities, long-term	1996	1995	1996	1995
	Deferred tax liabilities.....	33.6	36.2	–	–
	Other long-term liabilities.....	17.4	0.5	–	–
	Total	51.0	36.7	–	–
		THE GROUP			
13	The Group's interest bearing debt	1996	1995		
	Current interest bearing liabilities				
	Current loans.....	1,184.5	841.1		
	Current part of long-term loans.....	8.5	10.6		
	Long-term interest bearing loans.....	69.7	33.7		
	Allocated to pensions.....	22.6	4.4		
	Less.....				
	Liquid funds.....	– 166.1	– 274.0		
	Net debt	1,119.2	615.8		
		THE GROUP			
14	The Group's shareholders' equity	Share capital	Restricted reserves	Unrestricted reserves	Total
	Opening balance, 1/1/96.....	30.3	396.0	375.5	801.8
	Bonus issue.....	60.5	– 60.5	–	–
	Dividend.....	–	–	– 90.8	– 90.8
	Net profit for the year.....	–	–	392.8	392.8
	Additional costs for 1995 merger with Arjo.....	–	–	– 7.7	– 7.7
	Transfers between restricted and non-restricted equity.....	–	212.2	– 212.2	–
	Translation differences.....	–	–	– 3.1	– 3.1
	Closing balance, 31/12/96.....	90.8	547.7	454.5	1,093.0



15	Parent Company's shareholders' equity				Total
		Share capital	Restricted reserves	Unrestricted reserves	
	Opening balance, 1/1/96	30.3	2,105.2	147.1	2,282.6
	Bonus issue	60.5	- 60.5	-	-
	Dividend	-	-	- 90.8	- 90.8
	Net profit for the year	-	-	293.2	293.2
	Closing balance, 31/12/96	90.8	2,044.7	349.5	2,485.0

The nominal values of each share is SEK 2. The share capital breaks down into 3,037,986 class A shares with 10 votes and 42,383,646 class B shares with one vote per share.

16	Contingent liabilities and pledged assets	THE GROUP		PARENT COMPANY	
		1996	1995	1996	1995
	Contingent liabilities:				
	Guarantees and other contingent liabilities	50.1	39,4	287,9	271,6
	Total	50.1	39,4	287,9	271,6
	Pledged assets:				
	Real estate mortgages	41.4	72.4	-	-
	Chattel mortgages	-	191.6	-	-
	Assets burdened with restricted title	5.5	2.1	-	-
	Net assets/shares in subsidiaries	1,617.1	668.9	3,055.5	570.8
	Total	1,664.0	935.0	3,055.5	570.8

17	Employees	Average no. employees ²⁾		Salaries	
		1996	1995	1996	1995
	Employees in Sweden				
	Parent Company ¹⁾	4	3	3.4	2.8
	Subsidiaries	943	810	226.4	195.9
	Total, Sweden	947	813	229.8	198.7

¹⁾ A Director's fee of SEK 220,000 (200,000) has been paid to the Chairman of the Board, whilst salaries, remunerations and benefits collectively totalling SEK 1,720,993 (1,586,193) have been paid to the President & CEO. The company has additionally taken out a pension on behalf of the President & CEO at the maximum fiscally deductible premium, to come into force at the age of 65. Upon termination of employment by the company, the President & CEO shall be entitled to receive his salary during a period of notice corresponding to 1 year. Director's fees totalling SEK 330,000 (225,000) have been paid to other Members of the Board.

Salaries and car benefits have been paid to other persons at Group management level. Housing benefits have also been paid to some of the Group management team. The usual pension undertakings within the framework of the general pension plan also exist. Upon termination of employment by the company, these persons shall be entitled to receive salaries during a period of notice of at least 6 months and at most 1 year.

The Group has issued no synthetic options.

(Cont.)



17 (CONT.)	Average no. employees ²⁾		Salaries	
	1996	1995	1996	1995
Employees abroad				
Australia	61	53	11.4	9.3
Austria	18	17	7.8	4.3
Belgium	19	17	5.8	6.5
Canada	60	64	9.6	11.5
China	5	5	0.4	0.3
Czech Republic	8	8	0.8	0.2
Denmark	73	50	24.6	15.7
Germany	240	298	89.5	105.4
Finland	5	4	1.7	1.5
France	311	315	74.9	82.0
Hong Kong	3	–	1.1	–
Italy	20	22	7.0	5.0
Japan	1	1	0.9	0.6
Netherlands	77	67	25.3	20.2
Norway	39	26	12.3	9.2
Poland	11	10	1.5	1.0
Switzerland	18	18	9.2	9.4
South Africa	64	25	4.2	3.6
Spain	18	15	6.0	5.3
UK	369	368	85.1	92.4
US	684	295	183.3	103.4
Total, abroad	2,104	1,678	562.4	486.8
Total, Sweden and abroad	3,051	2,491	792.2	685.5

208 (152) of the average number of Group employees in Sweden are women and 739 (661) men, whilst outside Sweden, 444 (374) are women and 1,660 (1,304) are men.

The Parent Company had an average of 4 (3) employees, of which 1 (1) is a woman.

The average number of employees in Sweden breaks down as follows:

Average no. employees in Sweden/municipality ²⁾	THE GROUP		PARENT COMPANY	
	1996	1995	1996	1995
Enköping	37	16	–	–
Eslöv	204	244	–	–
Halmstad	286	289	4	3
Malmö	57	24	–	–
Solna	26	30	–	–
Tjörn	33	31	–	–
Upplands Väsby	103	41	–	–
Växjö	137	125	–	–
Others with fewer than 20 per municipality	64	13	–	–
Total	947	813	4	3

²⁾ Calculated with reference to the time the people have been employed within the Group.



Auditors' Report

Auditors' Report for Getinge Industrier AB
(company no. 556408-5032)

We have audited the Annual Report, Consolidated Accounts, the financial statements and the administration of the Board of Directors and the Managing Director for 1996. The audit has been carried out in accordance with generally accepted accounting principles.

The Parent Company

The Annual Report has been drawn up pursuant to the Swedish Companies Act.

We recommend

that Profit and Loss Account and the Balance Sheet be adopted,

that the profit be allocated in the manner proposed in the Directors' Report, and

that the Members of the Board and the Managing Director be discharged from liability for the financial year.

The Group

The Consolidated Accounts have been drawn up pursuant to the Swedish Companies Act.

We recommend

that the Consolidated Profit and Loss Statement and the Consolidated Balance Sheet be adopted.

Getinge, 12 March 1997

Arthur Andersen AB

Mats Fredricson

Authorized Public Accountant



Board of Directors and Auditors



Rune Andersson



Sven Borelius



Roger Holtback



Carl Bennet



Thomas Esko



Gert Klarén



Leif Holmgren



Edgar Svensson



AUDITOR

Arthur Andersen AB
Company auditors since 1989.

Senior Auditor:

Mats Fredricson, born 1944.
Authorized Public Accountant.

THE BOARD

Rune Andersson, born 1944.

Chairman since 1989.

Chairman of the Board of Akila AB, Andersson & Bennet AB, Metric Gruppen AB, SSAB, Svedala Industri AB and Trelleborg AB.

Member of the Board of Sandvik AB and SE-Banken, amongst others.

Holds 5,812,986 Getinge shares via a jointly-owned company.

Sven Borelius, born 1928.

Member of the Board since 1993.

Formerly Managing Director and CEO of Euroc AB, now Scancem AB. Chairman of the Board of LKAB. Member of the Board of Scancem AB, Fabege AB, Cardo AB, Sanitec Ltd., Oy, Finland, Scribona AB, Svedala Industri AB and Trelleborg AB.

Holds 12,000 Getinge shares.

Roger Holtback, born 1945.

Member of the Board since 1990.

Managing Director and CEO of Investment AB Bure. Chairman of the Board of Gunnebo AB and Scribona AB, and Deputy Chairman of the Board of Spira AB.

Member of the Boards of Investment AB Bure, MTV Produktion AB, Nordic Capital Svenska AB and TBG, Monaco

Holds 6,000 Getinge shares.

Carl Bennet, born 1951.

Managing Director and CEO.

Member of the Board since 1989.

Member of the Board of Andersson & Bennet AB, Camfil AB, Metric Gruppen AB and Scandinavian Recycling AB.

Holds 5,812,986 Getinge shares via a jointly-owned company.

APPOINTED BY THE EMPLOYEES

Thomas Esko, born 1957.

Representative Member of the Board on behalf of the Swedish Metalworkers' Union since 1989. Employed by Getinge AB. Holds 300 Getinge shares.

Gert Klarén, born 1944.

Representative Member on behalf of the Swedish Foremen's and Supervisors' Association, (Ledarna) since 1989. Employed by Getinge AB. Owns 300 Getinge shares.

Leif Holmgren, born 1947.

Deputy Representative Member on behalf of the Swedish Metalworkers' Union since 1989. Employed by Getinge Disinfection AB. Holds 0 Getinge shares.

Edgar Svensson, born 1936.

Deputy Representative Member on behalf of the Swedish Union of Clerical and technical Employees in Industry, SIF, since 1989. Employed by Getinge Disinfection AB. Holds 600 Getinge shares.



Group Management



Carl Bennet



Harald Castler



Ulf Grunander



Ingmar Johansson



Johan Malmquist



Bengt Sjöholm

GROUP MANAGEMENT

Carl Bennet, born 1951.

President and CEO.

Employed since 1989.

Holds 5,812,986 Getinge shares via a jointly-owned company.

Harald Castler, born 1957.

Business Area Manager Sterilization - Health Care

Employed since 1988.

Holds 3,000 Getinge shares.

Ulf Grunander, born 1954.

Chief Financial Officer. Employed since 1993.

Holds 3,000 Getinge shares.

Ingmar Johansson, born 1951.

Technical Director. Employed since 1989.

Holds 3,000 Getinge shares.

Johan Malmquist, born 1961.

Business Areas Manager Arjo and Disinfection

Employed since 1990.

Holds 3,000 Getinge shares.

Bengt Sjöholm, born 1953.

Business Area Manager

Sterilization - Pharmaceutical Industry

Employed since 1982.

Holds 3,000 Getinge shares.



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